

File

NORTH AMERICAN LIFE
ASSURANCE COMPANY
87TH ANNUAL REPORT
for the year ended December 31, 1967



NORTH AMERICAN LIFE ASSURANCE COMPANY



Head Office: Toronto, Canada

1967 HIGHLIGHTS

at the year end

	1967	1962 <i>for comparison</i>
ASSURANCES AND ANNUITIES IN FORCE	\$4,696,869,076	\$2,720,425,853
<i>Comprising</i>		
<i>Assurances</i>	3,927,529,440	2,101,641,488
<i>Annuities</i>	769,339,636	618,784,365
ASSETS HELD ON BEHALF OF POLICYHOLDERS	586,212,666	397,713,966
INVESTMENT AND CONTINGENCY RESERVE	12,500,000	8,500,000
SURPLUS	27,642,864	17,427,438

for the year

NEW ASSURANCES AND ANNUITIES	\$ 654,691,498	\$ 350,037,727
<i>Comprising</i>		
<i>Assurances</i>	625,695,849	315,694,528
<i>Annuities</i>	28,995,649	34,343,199
BENEFIT PAYMENTS AND PROVISIONS INCLUDING		
DIVIDENDS TO POLICYHOLDERS.	84,114,814	57,173,686
PREMIUM INCOME	73,313,889	51,421,861
NET INVESTMENT INCOME	31,779,904	19,533,296
NET EARNED INTEREST RATE	5.87%	5.30%

BOARD OF DIRECTORS

N. S. ROBERTSON, Q.C.

Chairman, Executive Committee—North American Life Assurance Company

Robertson, Lane, Perrett, Frankish and Estey Toronto, Ont.

W. M. ANDERSON, C.B.E., F.F.A.

Chairman—North American Life Assurance Company Toronto, Ont.

GEORGE RYRIE, M.B.E.

President—North American Life Assurance Company Toronto, Ont.

L. S. MACKERSY, M.C.

Vice-President—North American Life Assurance Company Toronto, Ont.

J. H. TAYLOR

Vice-President—North American Life Assurance Company

President, Liquifuels Limited Toronto, Ont.

A. S. BURTON

Vice-President, Finance—North American Life Assurance Company Toronto, Ont.

H. R. MILNER, Q.C.

Milner & Steer Edmonton, Alta.

GASTON PRATTE

Chairman, Télévision de Québec (Canada) Ltée Quebec, P.Q.

COURTLAND ELLIOTT, C.B.E.

Toronto, Ont.

J. M. BREEN

Director, Canada Cement Company Limited Montreal, P.Q.

G. P. OSLER

President, UNAS Investments Limited Toronto, Ont.

F. B. BROWN

Vice-President, The Bank of Nova Scotia Vancouver, B.C.

HON. R. L. KELLOCK, Q.C., LL.D.

Blake, Cassels and Graydon Toronto, Ont.

J. J. PIGOTT

Vice-President, Pigott Construction Company Limited Toronto, Ont.

J. L. GIBBONS

Chairman Trust Committee, Chemical Bank New York Trust Company New York, U.S.A.

K. V. COX

President, The New Brunswick Telephone Company Limited Saint John, N.B.

G. W. P. HEFFELFINGER

President, National Grain Company Limited Winnipeg, Man.

P. L. P. MACDONNELL, Q.C.

Milner & Steer Edmonton, Alta.

CLAUDE ROBILLARD

President, Dyname Corporation Limited Montreal, P.Q.

NORTH AMERICAN LIFE ASSURANCE COMPANY



DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 1967

To the policyholders of North American Life Assurance Company:

Your Directors have pleasure in submitting the 87th Annual Report of the Company for the year ended December 31, 1967.

New business directly effected by the Company's Agency force during the year amounted to \$654,691,498 as compared with \$545,068,960 in 1966. Direct business in force increased by \$508,609,321 during the year to reach a total of \$4,696,869,076 at the year end. Details of the new business and business in force are as follows:

	New Business in 1967	Business in Force December 31, 1967
Assurances.....	\$625,695,849	\$3,927,529,440
Annuities.....	28,995,649	769,339,636
Total.....	\$654,691,498	\$4,696,869,076

Comprising:

Individual Contracts.....	369,735,660	2,533,591,607
Group Contracts.....	284,955,838	2,163,277,469

At the year end there were more than 259,000 direct Individual policies in force, while Group coverage was being provided under some 2,600 master contracts and 282,000 Group certificates including the Company's pro rata share under co-insured contracts.

Total Assets increased by \$40,396,878 during the year, including an increase of \$3,130,961 in North American Life Investment Funds. The balance of the increase was shared by all main categories of assets with major emphasis being placed on the acquisition of first mortgages on real estate and corporation securities. The net earned interest rate increased from 5.71% to 5.87%. The Investment and Contingency Reserve has been increased to \$12,500,000 including \$3,100,000 provision for currency exchange and market values.

Net revenue from operations was \$11,208,874 as compared with \$10,871,432 in the preceding year. Dividends allotted to policyholders increased to \$8,203,612 from \$7,419,262 in 1966. After appropriations of \$200,000 to Policy Reserves and \$1,000,000 to Investment and Contingency Reserve, Surplus amounted to \$27,642,864 as compared with \$25,523,443 at the end of 1966.

Throughout the year the Company's field force and office staffs have again worked loyally and efficiently in your interests, and your Directors wish to express their appreciation of these services.

On behalf of the Board:

W. M. ANDERSON, *Chairman.*

GEORGE RYRIE, *President.*

TORONTO, February 5, 1968.

NOTE: The Financial Statement is a consolidation of the Life and Health Branches and the Investment Funds. The New Business and Business in Force figures exclude the results of the Health Branch and count annuities at \$1,500 for each \$10 of monthly income. Throughout the Report, United States and Bahamian dollars are converted at \$1.00, other Sterling currencies at \$3.00 to the pound. If current rates of exchange had been used, both the Assets and the Surplus shown would have been increased.

BALANCE SHEET DECEMBER 31, 1967

assets

		1966 for comparison
Bonds	\$237,242,471	\$226,322,717
Government and government guaranteed	\$ 73,898,607	
Municipal	44,531,290	
Public utility	40,898,368	
Industrial and other	77,914,206	
Stocks	31,399,356	27,651,281
Mortgages and Agreements for Sale of Real Estate	239,987,186	224,623,695
Mortgages	239,129,184	
Agreements for sale	858,002	
Real Estate	28,790,979	27,708,654
Head Office	6,868,241	
Properties held for investment	21,922,738	
Loans on Policies	25,610,170	22,697,061
Cash on Hand and in Bank	2,275,338	1,117,316
Investment Funds' Assets—at market value	8,848,280	5,717,319
Interest Due and Accrued	5,771,795	5,228,293
Net Outstanding Premiums and Other Assets	6,287,091	4,749,452
Total Assets	<u>\$586,212,666</u>	<u>\$545,815,788</u>

auditors' report to the policyholders

We have examined the balance sheet of North American Life Assurance Company as at December 31, 1967, and the statement of operations and surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The total value at which the securities are shown in the balance sheet, after deducting the Investment and Contingency Reserve, is not greater than that authorized under the Canadian and British Insurance Companies Act.

We have accepted the certification by the Actuary of the Company for the policy reserves and other actuarial liabilities, subject to which we report that, in our opinion, the above balance sheet and the related statement of operations and surplus present fairly the financial position of the Company as at December 31, 1967 and the results of its operations for the year ended on that date.

TORONTO, CANADA, January 24, 1968.

SIME, AYERS & CO.
Chartered Accountants.

NORTH AMERICAN LIFE
ASSURANCE COMPANY



liabilities

		1966 for comparison
Policy Reserves	\$480,389,367	\$450,424,469
Reserves for assurances	\$268,869,049	
Reserves for annuities	211,520,318	
Deposit Liabilities	35,337,448	33,121,997
Policyholders' funds held on deposit	34,303,568	
Staff supplemental benefits fund	1,033,880	
Investment Funds' Liabilities to Policyholders	8,848,280	5,717,319
Other Policy Liabilities	8,008,522	6,544,187
Policy benefits in course of payment	6,615,035	
Premiums paid in advance	1,393,487	
Accrued Expenses and Other Liabilities	4,786,185	4,984,373
Provision for Policy Dividends	8,700,000	8,000,000
Investment and Contingency Reserve	12,500,000	11,500,000
Surplus	27,642,864	25,523,443
Total Liabilities	<u>\$586,212,666</u>	<u>\$545,815,788</u>

actuary's report

I have certified that the policy reserves are in excess of those required by the provisions of the Canadian and British Insurance Companies Act and that, in my opinion, the policy reserves, together with the provision for other liabilities to policyholders shown in the balance sheet as at December 31, 1967, make good and sufficient provision for all obligations of the Company guaranteed under the terms of its policies.

TORONTO, CANADA, January 24, 1968.

A. R. McCracken, F.S.A., F.C.I.A.
Actuary.

Statement of Operations and Surplus FOR THE YEAR ENDED DECEMBER 31, 1967

		1966 for comparison
<i>Revenue</i>		
Premiums for assurances	\$50,551,107	\$46,600,211
Considerations for annuities	<u>22,762,782</u>	<u>21,434,017</u>
	\$73,313,889	68,034,228
Investment income, less investment expenses	<u>31,779,904</u>	<u>28,941,631</u>
Total revenue	<u>105,093,793</u>	<u>96,975,859</u>
<i>Expenditure</i>		
Death claims	14,304,577	11,405,706
Other assurance contract benefits	13,744,264	12,283,196
Annuity contract benefits	14,217,197	14,546,419
Increase in policy reserves	29,764,898	26,982,697
Addition to Investment Funds	2,104,920	2,634,098
Interest on deposit funds and on other liabilities	1,944,997	1,725,809
Salaries and commissions	13,270,326	12,391,552
General expenses	4,287,577	3,942,823
Government and municipal taxes	<u>1,627,309</u>	<u>1,544,983</u>
	19,185,212	17,879,358
Less: Investment expenses deducted above	<u>1,381,146</u>	<u>1,352,856</u>
	17,804,066	16,526,502
Total expenditure	<u>93,884,919</u>	<u>86,104,427</u>
Net revenue from operations	11,208,874	10,871,432
Surplus, December 31, 1966	25,523,443	
Net investment adjustments	314,159	
Total surplus before appropriations	<u>37,046,476</u>	
<i>Appropriations</i>		
Dividends to policyholders	7,503,612	
Added provision for policy dividends	<u>700,000</u>	
	8,203,612	
Additional provision for policy reserves	200,000	
Transfer to investment and contingency reserve	<u>1,000,000</u>	
Total appropriations	<u>9,403,612</u>	
Surplus, December 31, 1967	<u>\$27,642,864</u>	

NORTH AMERICAN LIFE ASSURANCE COMPANY



EXCERPTS FROM THE ADDRESS OF A. S. BURTON, VICE-PRESIDENT, FINANCE, TO THE ANNUAL MEETING OF POLICYHOLDERS

1967 was another year of good progress for our Company. Sales and earnings continued to rise. Dividends were paid in accordance with the increased scale set in 1966. Reserves were strengthened and, in spite of a very trying year in some of the investment markets, especially the long-term bond markets and a less favourable mortality experience, we have maintained our sound and strong financial position.

NEW BUSINESS & BUSINESS IN FORCE

I should like to refer first to our New Business, because we regard marketing as of prime importance in our scheme of things. Our objective is to be a quality Company, with quality of service and quality of product, and it is satisfying to be able to tell you of the continued success we are meeting in the acceptance of our products and services by the public.

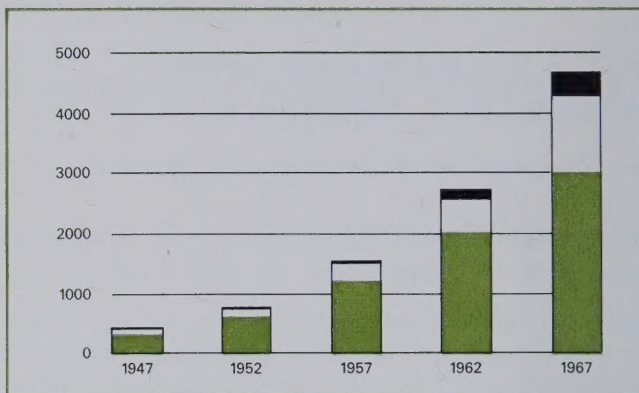
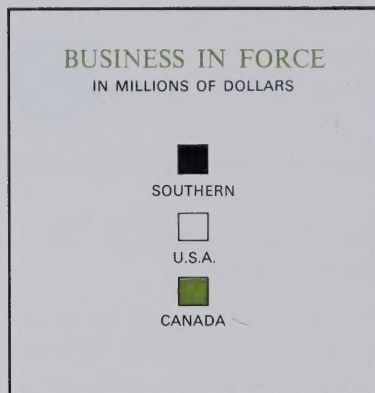
During 1967 our representatives effected the sale of over 20,000 contracts to individuals and almost 300 Group contracts which, in total, amounted to nearly \$655 million of New Business, an increase of 20% over 1966.

Our Group business which embraces both Assurances and Annuities is increasing rapidly. New Group business amounted to \$285 million last year. I might say, however, that while Group Assurance sales are very encouraging, the Group Annuity business is still beset with difficulties, most, but not all of which, arise from various public social security and pension schemes. We believe that this is temporary and that the longer term effect will be to increase the demand for pension contracts as more and more people come to realize the need for increased pensions.

In this connection, I think it appropriate to point out that the introduction of The Canada Pension Plan was rather unfortunate in its timing. The flow of a large volume of funds was diverted from our industry and our Company to Government, just at a time when there was already a shortage of funds for the financing of housing and other desirable long term projects. It was unfortunate that we were unable to play our full part in providing funds to alleviate that situation, but we just didn't have them. One can't help but feel that no matter how meritorious these schemes may be, more attention should be paid to the side effects, the timing and method of implementation. A little more forward thinking on this line could be very constructive.

One final word about our New Business. We are very pleased at the continued acceptance of our unique Enhanced Protection Plan. Almost 47% of the Individual Assurances written in 1967 were on this Plan which was specifically designed to meet the public's needs for low-immediate-cost, permanent protection.

As a result of the large volume of New Business written, together with our efforts to conserve existing business, we reached a total of \$4.7 billion of Business in Force, an increase of 12% over the previous year. Group Business in Force passed the \$2 billion mark.



At the year end, 59% of our Business in Force was in Canada, 30% in the United States and 11% in the Southern Area which comprises Jamaica, Trinidad, Bermuda, Bahamas and Barbados.

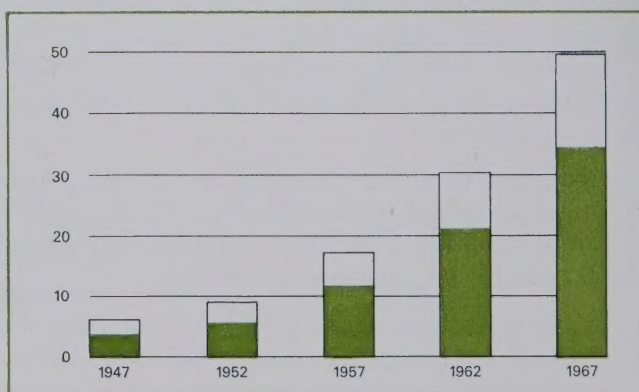
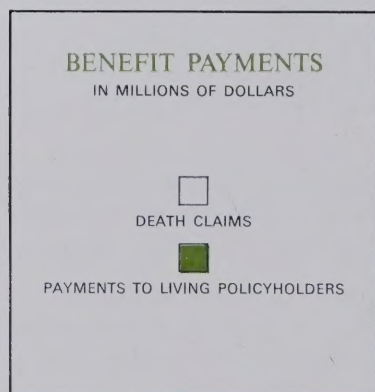
STATEMENT OF OPERATIONS AND SURPLUS

I would now like to turn to our Statement of Operations and Surplus. Premium Income amounted to \$73.3 million last year and exceeded 1966 by \$5.3 million or 7.8%. This compares favourably with the 3% gain recorded in '66. Net Investment Income at \$31.8 million increased by 9.8% and the net rate of interest earned rose by .16% to 5.87%. This is a considerably greater increase than we were able to realize the year before.

Total Revenue for the year amounted to \$105 million, crossing the \$100 million mark for the first time.

The paying out of money to provide financial protection and benefits to our policyholders is one of our prime functions. Last year, benefits and dividends actually paid amounted to \$49.7 million of which almost 70% was paid to living policyholders. When we add the provisions made for future payments, we reach a total of \$84 million provided in 1967. This gives an indication of the extent of the service we are rendering.

Our mortality rate last year was somewhat less favourable, claims running some \$750,000 over our forecast. In the nature of our business, we must expect considerable fluctuation in mortality from year to year. Our experience having been increasingly favourable over the three preceding years, a less favourable experience last year is not surprising.



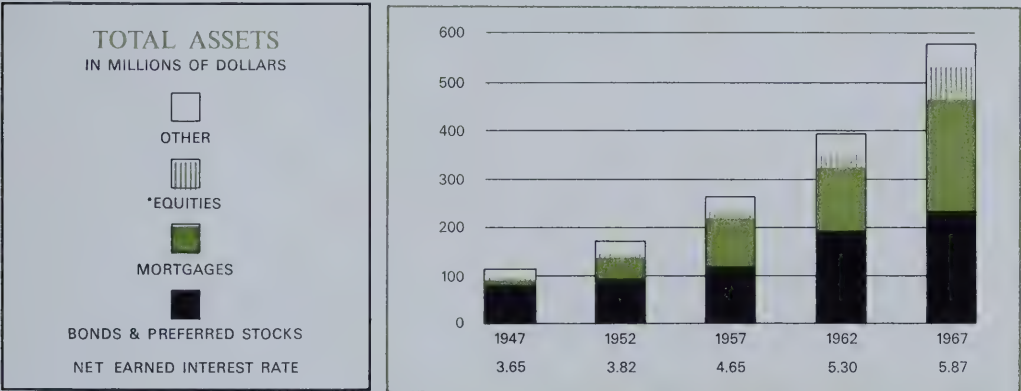
Net operating expenses amounted to \$17.8 million, an increase of 7.7% over 1966. We must expect our expenses to grow as our business expands. We were faced with the general and continued rise in the price of goods and services experienced by all last year. In addition, we made planned expenditures for the growth and development of the Company, including a substantial amount for conversion to a new electronic-data-processing system. Further such expenditures will be incurred this year.

The Net Revenue from operations amounted to \$11.2 million as compared with \$10.9 million in 1966. After making provision for Policy Dividends to be paid in 1968 and for the strengthening of our Reserves, our Surplus increased from \$25.5 million to \$27.6 million.

BALANCE SHEET

Total Assets as shown on the Balance Sheet amounted to \$586.2 million, an increase of \$40.4 million or 7.4%. This was a slightly larger proportional increase than that of 1966.

The most substantial increase in the components was in mortgages, \$15.4 million. Our gross investment in mortgages was actually \$28.3 million, principal repayments amounting to \$12.9 million. Loans approved but not yet advanced amounted to slightly over \$20 million at the year end.



* CONVERTIBLE SECURITIES, COMMON STOCKS & REAL ESTATE

Late last year, we decided to resume lending under the National Housing Act here in Canada and in the United States to participate in the \$1 billion program of urban redevelopment in the core areas of large cities, sponsored by our industry, there. Both of these moves, initially at least, represent modest sums, but are a conscious effort to aid in the alleviation of the current housing shortage.

The next largest increase was in corporation bonds, \$12.4 million. These bonds provide a somewhat longer term investment than do mortgages and are, therefore, quite attractive in the light of the relatively high interest rates presently available. We are anxious, of course, to hold these favourable rates as far into the future as possible.

Common stock investments were increased by \$3.1 million. The potential increase was larger as some of the bonds and debentures purchased carried conversion rights or options to purchase common stock in the future.

While our direct investment in real estate properties was small, with a net increase of \$1 million, our participation in this type of enterprise was further increased through the purchase of a number of real estate equity securities reflected in other sections of the Assets.

Total Assets of our Segregated Funds increased by slightly over \$3 million, of which approximately \$2 million resulted from movements in and out of the Funds and \$1 million

from market appreciation of assets. The unit value of our original Canadian Investment Fund which was started in January of 1961 at \$1,000, was \$1,999 at the year end. This represents an annual return of 10% over the seven years since the inception of the Fund. Last April we started a similar Fund for our United States business. The unit value was set at \$10.00 and, at the year end, it was \$11.11.

OPERATING BUDGET

It has been suggested that our policyholders might be interested in a few remarks on some specific phase of the Company's operations. In line with this, I thought I might say a little bit about our Operating Budget.

There is nothing really new or different about our Budget. Like all others, it is based on our best estimates of income and outgo. In the light of our prospective position as shown, decisions are taken as to how much we can prudently plan to spend on projects affecting directly the growth and future development of the Company. This is not an easy process, because it involves such things as the development of manpower and management in the field and management training for our executive and supervisory staff here at Head Office, to say nothing of our electronic-data-processing conversion which I have already mentioned.

The important thing is, not what the Budget is, but what it can do for us and we have found it helpful in many ways.

First of all, it sets our course for the year ahead, even though unforeseen events necessitate amendments as the year progresses.

Secondly, it provides an effective control over our day-to-day operating expenses.

Thirdly, it provides a basis for the sound financial planning of growth and development and, finally:

It can be used as an effective management training tool. In this respect, a great deal depends on the attitude of those working with the Budget. It can be regarded on the one hand as a bugbear or a nuisance or, on the other, as an effective tool for better control of operations. We are finding that a wider dissemination of the Budget and a more complete explanation starting with the vice-presidents and working down through the divisions, together with the involvement of more people in the actual preparation and operation of it, is having a very favourable effect on the acceptance and effective use of the Budget.

We were sorry to record the passing last year of several of our former associates who had retired on pension: Mr. E. H. Hanley, Mr. Edgar Morton and Mr. Colin Laverty. And just last week, we had to add the name of Doctor Gilbert Falconer. While retired from active duty, all these men had kept contact with their friends here at the office. We shall miss them sadly.

As has been said so often—"The Company is its people". There are now almost 1,600 of us associated with North American Life. Not just because it is customary, but very sincerely, on behalf of the Board of Directors and the Management, we extend most hearty thanks for the fine effort put forward by every one.

The full text of Mr. Burton's address, and of Mr. Ryrie's which follows on the next few pages, may be obtained by writing the Head Office.

NORTH AMERICAN LIFE ASSURANCE COMPANY



EXCERPTS FROM THE ADDRESS OF G. RYRIE, PRESIDENT TO THE ANNUAL MEETING OF POLICYHOLDERS

Mr. Burton has reviewed with you a year of substantial progress for the Company. It should be a matter of great pride to the staff and representatives of the Company who contributed to this result. All too often the role of the individual in our enterprises is obscured by the magnitude of the results and it is not always possible to recognize each contribution to the extent we would wish. I should like to take this opportunity of associating myself with Mr. Burton in expressing appreciation to all concerned with a special word of thanks to the Board of Directors for their guidance and counsel during the year.

The economic forecasts for 1968 are many and even varied. It appears the consensus is that of measured optimism for moderate expansion in the economies of the areas where we do business. We intend to share in that expansion.

There are many influences apart from economic activity which affect our business. Some of these may result in problems although it is some consolation that many of our problems are a measure of our success, not of our failure.

TAXATION

Among our problems today is the matter of taxation stemming from the recommendations of the Carter Commission. Certainly, as an industry, we do not wish to pay higher taxes—I suspect we are in good company here—both individual and corporate.

The life insurance companies, in their extensive submission to the Minister of Finance, pointed out that present taxation of life insurance companies is a reflection of government tax policy which evolved over many years. They strongly urged that if the government policy is to be changed and new taxes are to be imposed, before any final decision is reached, a joint study of the problems be made by appropriate departments of government with representatives of the industry. In part, this recommendation for joint study arises from a deep concern that any change in methods might involve complicated and costly administrative procedures and the possibility that policyholders may be faced with a multitude of irritating or arbitrary entries of relatively minor import in their tax returns.

I make this reference because, to me, it indicates a high degree of corporate and business responsibility in relations with government. It is a matter of regret that it has received all too little public attention.

COMPANY ORGANIZATION

Some two years ago, after extensive consultation among our senior officers, we emerged with a plan to reorganize our numerous operating departments into four major divisions with staff functions established in two additional divisions. Each of the operating divisions was designed to administer both group and individual policy business. This plan has involved several major changes in lines and levels of responsibility, most of which have now been implemented and appear to be fulfilling the objectives set.

It must be stressed that organizational plans do not remain static—as personnel capabilities and business requirements change, further organizational revisions will undoubtedly be made.

In the implementation of our reorganization there have been extensive discussions embracing most of our managerial and supervisory people. Out of these a consensus has emerged rather clearly—our first objective should be to make ourselves a better company—better in terms of product, in terms of service and in terms of challenge and opportunity for ambitious people. I should point out that this is not a simply arrived at decision because the requirements to be met and the alternate lines of action to be explored are numerous. I suspect that in considering these, many of our people have seen points of challenge for themselves and many areas where they will be able to contribute to discussion and decision.

STAFF DEVELOPMENT

At several of our annual meetings, reference has been made to increased activities in the training and education of sales representatives. Early next month we will hold the first of a series of planned Head Office training schools in Advanced Financial Underwriting for those sales representatives who have completed the rest of our training requirements.

We are also involved in some rather extensive activities in the area of management development of staff personnel. We have taken advantage of formal management development schools but this facility can cover only a few of our people. We are now in the process of developing our own internal educational program in this area with the assistance of a professional consultant.

It is important to realize that real development rests with the individual. Appropriate courses of education, training and discussion merely acquaint him with other people's ideas, perhaps widen his horizons and encourage development of his natural talents. The process of establishing such a procedure to cover our entire management group must necessarily be slow but it is under way. It is a measure of satisfaction that there is widespread pressure from all levels of our management people to get on with this job.

THE INNOCENT BYSTANDER

Now, may I move to an area of discussion which involves people both within and without the life insurance business.

We are at the time of year where many addresses given at annual meetings of financial corporations seem to point a finger of criticism at government. Frequently there is drawn from this situation a regrettable impression that government and business are operating in the role of contending parties—but who is good and who is not good may be left obscure and may depend on who is drawing the impression.

What does seem to be developing more clearly these days, however, is that the innocent bystander—the public that both government and business should be trying to serve—the innocent bystander is getting hurt. And, what seems to me to be equally important, he is getting confused and maybe even losing respect for one or both government and business.

Just consider the nature of the bombardment to which the innocent bystander has been subjected recently—balance of payments, foreign exchange rates, devaluation, Kennedy Round, inflation, Carter Report, Smith Report, and so on, ad infinitum. I think it is fair to say that, while most people do not understand or appreciate the complexities of many of these topics, the innocent bystander must begin to feel uneasy.

I think the public understood the Governor of the Bank of Canada when he said “It is a hard fact and not a political or social judgement that over a period of time, what we can

consume depends on what we produce.” and further—“... if this fact is not reflected in appropriate restraint and prudence on the part of all governments, management and labour, then we shall have to adjust to hard economic reality in other more painful ways”.

Your innocent bystander is sensible enough to realize that many government services are essential or desirable and he is prepared to pay for them—but he must have many questions about some of the projects and activities of governments at all levels. He cannot help but begin to think positively that free and easy government spending is accompanied by waste, inefficiency and extravagance.

How many times of late has your innocent bystander listened to a representative of one of the sub-Federal levels of government promise more and more if only the higher level of government would give his government more money. Rarely is there any discussion of the best level of government for the exercise or administration of a particular function of government, few suggestions that a particular function should be both financed and administered by a different level of government, and, certainly, all too few suggestions that perhaps the amount of money available should impose some control on the function.

So far, the innocent bystander hearing or reading these words may conclude that yet another critic of government has joined the business anvil chorus. I hope that a few moments reflection will let him conclude that I have not pointed the finger at government. I have merely tried to voice some doubts which he may share about some of the imponderables in political action today. Is it too much to expect a better deal for him?

THE LIFE INSURANCE BUSINESS

Many of us in business find these incidents and questions concerning government are alarming and quite foreign to the manner in which we try and contribute to our own business endeavours.

I think it is important to realize that, in business, the great power of competition forces us to live a good story as well as to tell it.

In the life insurance industry, we are a business of people dealing with people with a product which is often described as intangible but which is of great social value. Our clients purchase benefits and service on a contractual basis with a maximum cost clearly understood by both parties. If the client doesn't like the cost or the service, he may consider transferring his benefits to another enterprise.

Thus, in this business, we have a constant awareness of costs of benefits to be provided and standards of service offered. Management has a heavy responsibility to produce results which both satisfy existing clients and attract new ones.

All of the ideas and projects in a life insurance operation involve money and management must always operate within its foreseeable income. Premiums in force cannot be raised. Guarantees cannot be reduced.

I mention these facets of life insurance briefly only to suggest to our innocent bystander that our business is concerned not to hurt him—we think he is important to us because he is a client only by his free choice—we think he is entitled to high standards of service and high quality product at a cost which is guaranteed.

We think he should be able to develop respect for and confidence in our managements and representatives—he should have no cause for unease about being an innocent bystander with respect to our business.

COMPANY OFFICES CANADA



INDIVIDUAL DIVISION

BARRIE, ONT., 89 Dunlop Street, East	
Affiliated offices: Newmarket, Owen Sound	
BELLEVILLE, ONT., 12 Bridge Street East	H. L. CARRUTHERS, C.L.U.
Affiliated office: Peterborough	
CALGARY, ALTA., Suite 202, 736-8th Ave. S.W.	J. G. UMBRITE, C.L.U.
Affiliated offices: Lethbridge, Red Deer	
EDMONTON, ALTA., Suite 402, 10180-102nd St.	M. G. BOSKWICK
HAMILTON, ONT., Suite 600, 155 James St. S.	P. A. GELLATLY, C.L.U.
KAMLOOPS, B.C., Suite 200, 180 Seymour Street	W. A. NOURSE, C.L.U.
Affiliated office: Prince George	
KINGSTON, ONT., Suite 301, 837 Princess St.	E. R. KIRKHAM
LONDON, ONT., 400 Dundas Street East	J. P. CUTSEY, C.L.U.
Affiliated office: Sarnia	
MONTREAL, P.Q., Suite 704, 612 St. James St. W., Montreal 3	A. FORTIN, C.L.U.
MONTREAL LAVAL, Suite 400, 1 Place Laval, Laval, P.Q.	D. CASTONGUAY
MONTREAL MAISONNEUVE, Suite 527, 110 Cremazie Blvd. W., Montreal 11	B. CHARRON
MONTREAL NOTRE DAME, Suite 502, 5450 Chemin de la Cote-des-Neiges, Montreal 26, P.Q.	
MONTREAL SAINT-LAMBERT, Suite 400, 6 Blvd. Desaulniers, St. Lambert, P.Q.	J. A. CARBONNEAU
MONTREAL UPTOWN, Suite 920, 1350 Sherbrooke St. W., Montreal 25, P.Q.	D. B. CARLYLE, B.COM., C.L.U.
NELSON, B.C., 108 Baker St.	A. J. DAWSON
NEW BRUNSWICK, 61 Union St., Saint John	H. NASON, C.L.U.
Affiliated offices: Fredericton, Moncton	
NEWFOUNDLAND, 95 LeMarchant Rd., St. John's	J. H. FOLEY
NORTHERN ONTARIO, 161 Larch Street, Sudbury	A. QUESNEL
NOVA SCOTIA, Suite 307, 1583 Hollis St., Halifax	G. H. WESTRUP
ONTARIO DISTRICTS, Suite 305, 251 King St. W., Kitchener	K. W. REYNOLDS
Affiliated office: Brantford	
OSHAWA, ONT., Suite 219W, Oshawa Shopping Centre	L. G. CAMOZZI, C.L.U.
OTTAWA, ONT., Suite 606, 151 Slater St., Ottawa 4	W. C. FIRTH, B.COM., C.L.U.
PORT ARTHUR, ONT., Suite 3, 20 St. Paul St.	W. L. GRACE, C.L.U.
QUEBEC, P.Q., Suite 780, 880 Chemin Ste-Foy, Quebec 6	J. DION, C.L.U.
Affiliated office: Hauteville	
REGINA, SASK., Suite 1520, 2002 Victoria Ave.	W. A. ANDERSON, C.L.U.
ST. CATHARINES, ONT., 15 King Street	D. C. WILKINS, C.L.U.
SASKATOON, SASK., Suite 4, 124A-2nd Ave. N.	M. J. OLYNYK
SHERBROOKE, P.Q., Suite 175, 2727 King St. W.	
TORONTO, Suite 300, 425 University Ave., Toronto 7	R. D. BARBARO
TORONTO ADELAIDE, Suite 1000, 335 Bay Street, Toronto 1	J. L. GAMSBY, C.L.U.
TORONTO CENTRAL, Suite 610, 2 Carlton St., Toronto 2	P. R. BARTELLO, C.L.U.
TORONTO KING, Suite 902, 40 St. Clair Ave. W., Toronto 7	J. E. CARR-HARRIS, C.L.U.
TORONTO METRO, Suite 407, 131 Bloor St. W., Toronto 5	D. E. MCLEOD, LL.B.
TROIS-RIVIÈRES, P.Q., Edifice Bonaventure, 550 Bonaventure St.	P. V. URBAIN
VANCOUVER, B.C., Suite 500, 1477 West Pender St., Vancouver 5	H. E. HARRISON, C.L.U.
VICTORIA, B.C., Suite 205-209, 1207 Douglas St.	F. J. ADAMS, C.L.U.
WESTMINSTER, B.C., Suite 102, 725 Carnarvon St., New Westminster	R. K. PETRIE
WINDSOR, ONT., 2215 Huron Line	E. C. TROWBRIDGE
Affiliated office: Chatham	
WINNIPEG, MAN., Suite 200-202, 219 Kennedy St.	W. F. ACHESON, C.L.U.
Affiliated office: Brandon	

GROUP DIVISION

CALGARY, ALTA., 750 Elveden House, 717-7th Ave. S.W.	B. V. ARMSTRONG
MONCTON, N.B., Suite 403, 1111 Main Street	W. D. MUNNS
MONTREAL, P.Q., Suite 203, 1100 Sherbrooke St. W., Montreal 2	C. B. CYR
OTTAWA, ONT., Suite 406, 170 Metcalfe Street, Ottawa 4	J. N. CULLEN
TORONTO, ONT., Suite 37, 1303 Yonge St., Toronto 7	J. D. CAMBRIDGE
VANCOUVER, B.C., 614 Burrard Bldg., 1030 W. Georgia St., Vancouver 5	G. W. CONNOP
WINNIPEG, MAN., 287 Broadway Ave., Winnipeg 1	J. R. CRANWILL

MORTGAGE DIVISION

CALGARY, ALTA., 320-7th Ave., S.W.	B. A. LANGTRY
EDMONTON, ALTA., 704 Royal Bank Building	J. R. KLINCK
HALIFAX, N.S., 6009 Quinpool Rd.	MARCIL MORTGAGE CORPORATION (Agent)
MONTREAL, P.Q., 360 St. James St. W., Montreal 1	MARCIL MORTGAGE CORPORATION (Agent)
OTTAWA, ONT., 2277 Riverside Dr., Ottawa 8	J. W. SUTHERLAND
QUEBEC, P.Q., 925 St. Louis Rd., Quebec 6	MARCIL MORTGAGE CORPORATION (Agent)
TORONTO, ONT., 105 Adelaide St. W., Toronto 1	G. M. WATSON, K. BONNER
VANCOUVER, B.C., 1030 West Georgia St., Vancouver 5	K. W. WALL
WINNIPEG, MAN., 460 Main St., Winnipeg 2	ARONOVITCH & LEPSIC LTD. (Agent)

COMPANY OFFICES UNITED STATES



INDIVIDUAL DIVISION

CHICAGO, 141 West Jackson Blvd., Chicago, Ill.	R. S. BOWLES, C.L.U.
COLUMBIA, Suite 670, 1700 Pennsylvania Ave., N.W., Washington, D.C.	J. P. GRAHAM, C.L.U.
Affiliated Office: Baltimore	
STATE OF OHIO, 1316 Keith Bldg., Cleveland.	W. L. WAYLETT
CLEVELAND, OHIO, 1316 Keith Bldg.	W. G. PHILLIPS, C.L.U.
DETROIT, MICH., 21125 Northwestern Highway, Southfield, Mich.	R. G. WAYLETT
HARTFORD, CONN., Suite 404, 999 Asylum Ave.	J. K. FLEMMING
MINNEAPOLIS-ST. PAUL, MINN., 888 Northstar Center Bldg.	C. W. LENEAVE
PHILADELPHIA, PENNA., 1830 Philadelphia National Bank Bldg.	B. M. GASTON, C.L.U.
SEATTLE, WASH., 427 Skinner Building	J. E. MAY, C.L.U.

GROUP DIVISION

CHICAGO, ILL., Suite 1764, 10 S. Riverside Plaza	T. C. SEILER
DETROIT, MICH., 21125 Northwestern Highway, Southfield, Mich.	T. V. KRASS
DISTRICT OF COLUMBIA, Suite 670, 1700 Pennsylvania Ave., N.W., Washington	R. A. FOY
PHILADELPHIA, PENNA., Suite 1638, Philadelphia National Bank Bldg.	W. H. MILLAR

MORTGAGE DIVISION

CHICAGO, ILL., 11 South La Salle Street	SALK, WARD & SALK INC. (Agent)
DETROIT, MICH., 1001 Woodward Ave.	REAUME & DODDS INC. (Agent)
PHILADELPHIA, PENNA., 7 Penn Center Plaza	LATIMER & BUCK INC. (Agent)

COMPANY OFFICES SOUTHERN



INDIVIDUAL DIVISION

BAHAMAS, NASSAU, Box 121	F. L. (PETER) COLE
BERMUDA, HAMILTON	J. B. FERGUSON
JAMAICA, 76 Harbour Street, Kingston	R. D. WILLIAMS, C.L.U.
Affiliated offices: Mandeville, Montego Bay	
TRINIDAD, 60 St. Vincent Street, Port-of-Spain	GRELL & CO. LTD.
Affiliated office: Bridgetown, Barbados	

GROUP DIVISION

JAMAICA, 76 Harbour Street, P.O. Box 439, Kingston	P. K. BYLES
--	-------------

MORTGAGE DIVISION

JAMAICA, 76 Harbour Street, P.O. Box 439, Kingston	MRS. A. SOUTAR (Agent)
TRINIDAD, 60 St. Vincent St., Port-of-Spain	GRELL & CO. LTD. (Agent)

EXECUTIVE OFFICERS

W. M. ANDERSON, C.B.E., F.F.A., F.S.A. *Chairman*
G. RYRIE, M.B.E., F.S.A. *President*

MARKETING

	L. V. TIBERT, C.L.U.	<i>Vice-President, Agencies</i>
<i>Agency</i>	H. D. CASE, C.L.U.	<i>Director of Agencies</i>
	J. T. GLENN, B.COM.	<i>Director of Agencies</i>
	R. A. COOPER	<i>Director of Marketing Administration</i>
	H. BOOTH	<i>Superintendent of Agencies</i>
	A. CODERE, C.L.U.	<i>Superintendent of Agencies</i>
	J. H. WRIGHT, C.L.U.	<i>Superintendent of Agencies</i>
	W. J. REID, F.L.M.I.	<i>Superintendent of Field Training</i>
<i>Group Sales</i>	G. A. IRVINE, B.A., C.L.U.	<i>Superintendent of Group Sales</i>
	A. GREAVES	<i>Group Sales Administrative Officer</i>

FINANCE

	A. S. BURTON, B.A.	<i>Vice-President, Finance</i>
<i>Comptroller</i>	G. M. HEAMAN, C.A., F.L.M.I.	<i>Vice-President and Comptroller</i>
	K. G. HENRY, C.A.	<i>Assistant Comptroller</i>
<i>Investment</i>	D. W. PRETTY, M.COM.	<i>Vice-President and Treasurer</i>
	W. D. CURRIE, B.COM.	<i>Associate Treasurer</i>
	T. H. INGLIS, B.COM.	<i>Associate Treasurer</i>
	J. B. PATTERSON	<i>Associate Treasurer</i>
	J. C. CURTIS, B.A., C.F.A.	<i>Assistant Treasurer</i>
	R. V. DREDGE	<i>Assistant Treasurer</i>

INSURANCE OPERATIONS

	A. R. McCracken, M.A., F.S.A.	Vice-President and Actuary
Actuarial	E. T. Hill, B.A., F.S.A.	Associate Actuary
	P. L. Williams, M.A., F.S.A.	Assistant Actuary
Group Actuarial	F. E. Smith, B.A., F.S.A.	Group Executive
	J. D. Crawford, B.A., F.S.A.	Assistant Actuary
Underwriting	H. E. Harding, F.L.M.I.	Underwriting Officer

INSURANCE
SERVICES

	D. T. WEIR, B.A., F.S.A.	<i>Vice-President, Insurance Services</i>
<i>Data Processing</i>	H. G. JOHNSTON, F.S.A.	<i>Associate Actuary</i>
	T. F. M. EDWARDS, C.G.A., F.L.M.I.	<i>Tabulating Officer</i>
	Q. J. MALTBY, B.A., F.S.A.	<i>Assistant Actuary</i>
<i>Group Administration</i>	W. F. HASTINGS, F.L.M.I.	<i>Group Administration Officer</i>
<i>Medical</i>	J. E. C. COLE, M.D., F.R.C.P.(C.)	<i>Medical Director</i>
	M. A. WOODSIDE, M.D., F.R.C.P.(C.)	<i>Medical Director</i>
	J. R. LUNDON, M.D.	<i>Assistant Medical Director</i>
<i>Systems Planning</i>	A. F. LOVERSEED, F.L.M.I.	<i>Systems Planning Executive</i>

PERSONNEL AND STAFF SERVICES

VICE PRESIDENT	J. M. OTTERBEIN, F.L.M.I.	<i>Vice-President, Personnel and Planning</i>
<i>Branch Administration</i>	L. M. BEGLEY, F.L.M.I.	<i>Branch Administrative Officer</i>
<i>Head Office Personnel</i>	D. G. BUSBY	<i>Personnel Officer</i>

SECRETARIAL

	J. S. KILGOUR, B.A., Q.C.	<i>Vice-President, General Counsel and Secretary</i>
<i>Legal</i>	G. M. DEVLIN, B.A.	<i>Legal Officer</i>
<i>Policy Benefits</i>	J. D. KIRKENDALE	<i>Claims Officer</i>

AUDIT

H. W. HOUGHAM, C.G.A., F.L.M.I. *Audit Officer*

